Comparison of Perata, Núñez, and Schwarzenegger Health Care Reform Proposals

	Senate President pro Tempore Perata SB 48 (As amended – 5/16/07)	**Assembly Speaker Núñez AB 8 (As amended – 5/17/07)**	**Governor Schwarzenegger**
Individuals Covered	Working Californians and dependents. All children, regardless of immigration status, up to 300% of federal poverty level (FPL). Estimated to cover 69% of uninsured population.	Working Californians and dependents. All children, regardless of immigration status, up to 300% FPL. Estimated to cover 69% uninsured population.	All Californians Estimated to cover 84% of uninsured population.
Individual Mandate	Californians, with family incomes 400% FPL or higher, would be required to have a minimum health coverage policy for themselves and their dependents. Individuals are not subject to the requirements if the cost of the minimum policy exceeds 5% of family income. Minimum coverage benefit level to be determined by the Managed Risk Medical Insurance Board (MRMIB). Minimum policy must include Knox-Keene level of benefits, plus prescription drugs. Enforced through the tax code.	None	All Californians, including children, would be required to have minimum health coverage. Minimum coverage defined as a $5,000 deductible plan with maximum out-of-pocket limits of $7,500 per person and $10,000 per family. Enforced through wage withholding and the tax code.

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Employer & Employee Responsibility	Pay or Play: Employers would be required to spend at least 7.5% of payroll on employee health care expenditures OR pay an equivalent amount to a State Trust Fund. Employees whose employers pay into the fund would pay a premium contribution to obtain coverage through the purchasing pool.	Pay or Play: Employers would be required to spend at least 7.5% of payroll on employee health care expenditures OR pay an equivalent amount to a State Trust Fund. Exemptions for: ▸ firms of less than two workers ▸ firms with payroll of less than $100,000 ▸ certain newly established firms in business for less than three years	Pay or Play: Employers would be required to spend at least 4% of payroll for employee health insurance OR pay an equivalent amount. Exemption: Employers with fewer than 10 employees.
Medi-Cal Rate Increase	No	No	Yes. $4 billion to increase rates closer to Medicare level.
Purchasing Pool	Yes – the "Connector"	Yes – California Cooperative Health Insurance Purchasing Program (Cal-CHIPP)	Yes
Individual Contribution to Obtain Coverage Through Purchasing Pool	MRMIB to establish premium contributions (based on a sliding scale for employees who have family incomes less than 300% FPL). Maximum premium contribution cannot exceed 5% of family income.	MRMIB to establish premium contributions (based on a sliding scale for employees who have family incomes less than 300% FPL)	MRMIB to establish premiums. Contribution for low-income individuals: ▸ 101%-150% FPL: 3% family income ▸ 151%-200% FPL: 4% family income ▸ 201%-250% FPL: 6% family income

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Tax Incentives	Employers participating in the Connector are required to establish "Section 125 plan," allowing employees to use pretax income for health expenses.	All employers required to establish "Section 125 plan," allowing employees to use pretax income for health expenses.	All employers required to establish "Section 125 plan," allowing employees to use pretax sheltered income for health expenses. State tax conformity on Health Savings Accounts.
Medi-Cal/Healthy Families Expansion/ Changes	Expand Healthy Families/Medi-Cal for all children, regardless of immigration status, up to 300% FPL. Expand Medi-Cal eligibility for children ages 6 through 18 to 133% FPL. Expand Medi-Cal eligibility for parents to 133% FPL. Provide a "benchmark" health plan for parents between 133% FPL and 300% FPL.	Expand Healthy Families/Medi-Cal for all children, regardless of immigration status, up to 300% FPL. Expand Medi-Cal eligibility for children ages 6 through 18 to 133% FPL. Expand Medi-Cal eligibility for parents to 133% FPL. Provide a "benchmark" health plan for parents between 133% FPL and 300% FPL.	Expand Healthy Families/Medi-Cal for all children, regardless of residency status, up to 300% FPL. Expand Medi-Cal to include all legal resident adults up to 100% FPL. Establish "bright-line" threshold between Medi-Cal and Healthy Families/new purchasing pool at 100% FPL.

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Insurance Market Reforms	► Extend small group market reforms, including guaranteed coverage, to employers with 51 to 199 employees. ► Guaranteed issue in the individual market, subject to a transition period. ► Insurers must spend at least 85% of specified revenues on patient health care.	► Prohibits exclusion of coverage for minor health conditions, as determined by MRMIB. ► Requires health insurers to offer, among other existing designs, three uniform benefit designs in and outside of Cal-CHIPP. ► Requires health insurers offering group plans to offer a "benchmark" plan for eligible families with incomes at or below 300% FPL, or to arrange for that coverage through Cal-CHIPP. ► Extend small group market reforms, including guaranteed coverage, to employers with 51 to 250 employees. ► Insurers must spend at least 85% of specified revenues on health care services.	Health plans: ► Guarantee coverage in the individual market. ► Rates based only on age and geographic area in the individual market. ► 85% of premiums must be spent on patient care.

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Financing	► Employer "pay" contributions ($6.6 billion) ► Employee and individual contributions ($3.6 billion) ► Federal funds ($1.2 billion)	► Employer "pay" contributions ($5 billion) ► Employee and individual contributions ($2.7 billion) ► Federal funds ($0.9 billion)	► Employer "pay" contributions ($1 billion) ► Employee and individual contributions (unknown) ► Federal funds and redirection of safety net funds ($5.5 billion) ► Redirect county funds, which includes realignment funds ($2 billion) ► 2% fee on physician revenues and 4% fee on hospital revenues ($3.5 billion)

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Cost Containment	Within the purchasing pool: ► Managed competition through choice of health plans ► Medi-Cal managed care buy-in ► Cap on health plan administrative costs and profits ► Plans must implement evidence-based practices that control cost growth, including preventive care, case management for chronic diseases, promotion of health information technology, standardized billing practices, reduction of medical errors, incentives for healthy lifestyles, patient cost-sharing to encourage use of appropriate care, and rational use of new technology.	► Disease management in state health coverage programs ► Pay-for-performance for state-funded health coverage programs ► Uniform benefit design to ease administrative burden for providers and simplify plan selection for purchasers ► Disclosure of medical loss ratio to all purchasers	► Reduce regulatory requirements on health plans ► Reduce regulatory requirements in order to promote certain delivery models, such as retail clinics ► Pilot to combine workers' compensation with traditional health coverage ► Health plans must offer "health actions" rewards and incentives with benefit packages ► Promote health information technology and patient health records ► Link future Medi-Cal provider and plan rate increases to performance ► Make changes to seismic safety requirements for hospitals ► Data reporting and quality monitoring ► Health promotion and wellness (prevention of diabetes, medical errors, health care acquired infections, obesity, tobacco use)

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Implementation Timeline	July 2008 – Children's and parents' coverage expansions January 2008 – Mid-group market reform January 2011 – Individual market reform; employer spending requirement; individual mandate	January 2008 – Mid-group market reform July 2008 – Children's and parents' coverage expansion	Not specified

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